

City of Detroit

CITY COUNCIL

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ANNE MARIE LANGAN
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TO: Medina Noor, Executive Director
Department of Administrative Hearings

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: April 25, 2011

RE: **2011-2012 Budget Analysis**

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Attached is our budget analysis regarding your department's budget for the upcoming 2011-2012 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Wednesday, April 27, 2011 at at 2:30 p.m.** We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers
Council Divisions
Auditor General's Office
Thomas Lijana, Finance Director
Floyd Stanley, Budget Department Deputy Director
Alia Moss, Budget Department Team Leader
Denise Gardner, Mayor's Office

Department of Administrative Hearings (45)

FY 2011-2012 Budget Analysis by the Fiscal Analysis Division

Summary

The Department of Administrative Hearings is a General Fund Agency that adjudicates blight violations such as violations of property maintenance, zoning, solid waste, and illegal dumping ordinances. The Mayor's Proposed Budget for 2011-2012 includes appropriations of \$1.4 million, which is an increase of \$0.5 million or 50% from fiscal year 2010-2011. The Mayor's 2010-2011 Proposed Budget includes revenues of \$0.7 million, which is a decrease of \$0.2 million from fiscal year 2010-2011 budget of \$0.9 million. The department's net tax cost recommended for next year is \$0.7 million, \$0.7 million more than the budgeted net tax cost for the current year.

2010-2011 Surplus/(Deficit)

The estimated surplus for the Department of Administrative Hearings is \$61,982 for fiscal year 2010-2011. The surplus is composed of an appropriation surplus of \$175,182 offset by a revenue deficit of \$113,200.

Overtime

The Mayor's Proposed Budget for fiscal year 2011-2012 does not include any provision for overtime expenses. As of March 31, 2011, the Department has not incurred overtime in the current fiscal year.

Personnel and Turnover Savings

There are no projected personnel or turnover savings for this department.

<u>Appropriation/Program</u>	<u>Redbook Positions FY 2010-11</u>	<u>Filled Positions 3/31/2011</u>	<u>Mayor's Budget Positions FY 2011-12</u>	<u>Over/(Under) Actual to 10/11 Budget</u>	<u>Mayor's Recommended Turnover</u>
Department of Administrative Hearings (45):					
11159 Blight Violation Adjudication	<u>3</u>	<u>10</u>	<u>6</u>	<u>7</u>	<u>\$ -</u>
TOTAL	<u>3</u>	<u>10</u>	<u>6</u>	<u>7</u>	<u>\$ -</u>

Proposed Layoffs and Position Changes

The Mayor's Proposed Budget for 2011-2012 does not include any layoffs. There is an increase of three positions for this department, and they include one Office Assistant III, one Principal Accountant, and one Executive Secretary II.

Significant Revenue Changes

<u>Appro.</u>	<u>Program</u>		
11159	Blight Violation Adjudication		The Mayor's 2011-2012 Proposed Budget includes \$0.7 million in revenue, which is a decrease of \$0.2 million from the current year's budget of \$0.9 million. The decrease is the result of a decrease in administration fee \$0.1 million, and a decrease of \$0.1 million in other fees.

Significant Funding by Appropriation

<u>Appro.</u>	<u>Program</u>		
11159	Blight Violation Adjudication		The Mayor's 2010-2011 Proposed Budget includes \$1.4 million in the appropriation, which is an increase of \$0.5 million from the current year's budget of \$0.9 million. The increase is primarily due to a \$0.1 million increase in salary and wages, a \$0.1 million increase in employee benefits, and a \$0.3 million increase in professional and contractual services.

Department of Administrative Hearings (45)

Budgeted Professional and Contractual Services by Activity	FY 2010-11 Budget	FY 2010-11 Recommended	Increase (Decrease)
Blight Violation Adjudication	\$ 355,603	\$ 623,302	\$ 267,699
Total	\$ 355,603	\$ 623,302	\$ 267,699

Changes in Goals and Major Initiatives

A major initiative of DAH's Blight Enforcement Group is to play an integral role in the Mayor's new compliance-based approach to code enforcement as a means to eradicate blight. As part of that initiative, DAH will expand the Compliance Assistance Reaching the Elderly and Indigent program (CARE), which DAH launched in 2010. The CARE network is comprised of city departments and non-profit community service organizations that seek to help participants comply with anti-blight codes. Participants in the CARE program are provided with additional time and assistance to eradicate blight at their properties.

Issues and Questions

1. What is the process by which the department attaches a lien to a property or garnishes a property owner's income? Could the department perform this task in-house with the proper resources available?
2. Please explain how the CARE program works. What are the benchmarks used by the department to measure the programs success? What is the cost to the department for the program?
3. The department mentions its successful in-house judgment notification collections effort. Could you explain how the program works and the measurement used by the department to determine its success? Please explain the reason for the projected revenue deficit for the current fiscal year.
4. The Professional and Contractual Services category increased by nearly \$300,000 for the previous fiscal year; what is the reason for the increase?
5. Why is the department adding three additional positions to its budget?